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Working smarter for a healthier health food trade

CLF Distribution's style of innovation-driven, retailer-friendly wholesaling is designed to create a healthier future for the health food trade its founder, Robin Holiday, tells **Jim Manson**

IN 2008 CLF Distribution did something unusual for a wholesaler — it bought a shop. Salisbury Health Foods, to be precise.

CLF's marketing manager, Karen Wilson, explains the thinking behind the move: "We bought the store to understand what it's really like to be a retailer. To appreciate the challenges retailers are up against, but also identify where the opportunities lie."

Understanding the retailer's perspective has been a key business priority at the Wiltshire-based wholesaler since it began just over 10 years ago. It's also been a major factor in the company's strong growth over that period.

From a small specialist sports nutrition distributor to an £18 million turnover national health food wholesaler, CLF's progress has been impressive by any measure.

Yet, despite being poised to take the number two slot in the UK health food wholesale sector, not everyone in the trade has heard of CLF. And that probably has something to do with the style of the company, suggests its founder and managing director, Robin Holiday. "We've spent a long time building a business around the needs of health food retailers. That's been our focus and we just haven't made a lot of noise about it. But our reputation for industry-leading customer service has been winning us a lot of business and we're very confident of maintaining our growth path."

Retailers who have recently come on board include Helen and David Galpin's Nutrition Centre stores and Alan Martin's Food For Thought outlets in Guildford and Kingstons.

Business-winning service

"Service wins you business. It's



CLF's founder Robin Holiday explains the warehouse operation

as simple as that," says Holiday. "What we've found is that store staff become the drivers of change. Once they've experienced our customer service they don't want to go back."

CLF says it is able to offer a different level of service from other wholesalers. Comments Holiday: "One big benefit we offer retailers is guaranteed 100% accurate orders. It means that store staff don't have to check an order against the paperwork." Shelf-ready pricing is another popular development. "We launched this a few months ago and the retailers who are using us are seeing the advantages immediately. Price labels, based on the individual store's pricing, are applied to the products before despatch. It means products can go straight onto the shelf."

But Holiday believes the company's approach to business has been winning over retailers too. "Our view is that rather than a retailer having to qualify for an account with us, we have go out and *earn* that retailer's business. Our discounting policy is different too. We offer a constant discount and don't penalise a retailer for having a bad month — that seems to be the last thing a retailer

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Shelf-ready: Customers have the option of shelf-ready price labels

One minute CV



CLF Distribution began life in 1998 as a small distributor of specialist sports nutrition brands. Soon the company's founder, Robin Holiday — a former US Superbike racer — started to focus on the health food trade. The company also began to offer retailers its custom EPoS system and a service to build stores a low-cost e-commerce site. Today the Downton, Wiltshire-based company offers over 9,500 product lines and has a turnover of £18 million.

would need! We also don't impose a minimum order or monthly spend."

Tailor designed EPoS

Around 10% of CLF's health store customers also use the company's EPoS system. Developed by CLF's sister company Emporio, this dedicated health food trade EPoS system has been winning the praise of a growing number of retailers who say it enables simple and efficient ordering and helps to keep stocking levels thinner.

Comments Holiday: "We're here for long-term relationships and what really strengthens us here is our EPoS business. Using Emporio means customers can replenish stock at the touch of a button. A daily delivery service with real-time stock availability means retailers get products exactly when they need them and in the ideal quantity."

Pick and mix

CLF's strong in-house IT capability has also been put to very effective use in the company's state-of-the-art warehouse. It's based on the Chaos Theory System in which the more mixed up it is, the better it works. So instead of seeing certain brands or product categories grouped together, products arriving from suppliers are placed straight on the nearest available empty shelfspace.

The warehouse was mapped out as a three-dimensional matrix and uses a four-point co-ordinates system for fast and accurate picking. A computer chooses the most efficient pick route around the compact 20,000sq ft warehouse footprint.

On the warehouse floor Holiday shows me where orders receive a second scan as products are packed into the returnable Tote boxes — a process



The Emporio team at the company's Wiltshire office

which is webcammed to provide a visual record of each consignment as it is despatched.

Bright future

Despite the current tough economic climate, CLF continues to achieve good growth — Holiday says the company is on course to hit its £24 million turnover target in 2010. Part of that growth has been achieved by identifying the next big-sellers — both in term of products and brands, and categories.

Comments Karen Wilson: "We're always thinking, what's next for the health food stores. That's why owning Salisbury Health is so valuable to us."

Later this year the store will undergo a major refit which may in turn lead to the development of a franchise template. "We're working with a team of designers at the moment, but our priority has very much been to get to know the business."

Holiday believes that, despite all the regulatory challenges, the health food trade has a bright future. But he thinks that many stores would benefit by remodeling themselves as nutrition and lifestyle stores. And he thinks integrating sports nutrition products into the mix is a great way to reach new consumers and boost the bottom lines.

Above all, he says, businesses need to invest. "Whether you're a wholesaler or retailer you have to invest to succeed. It's no coincidence that the stores doing best are the ones that are investing."